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April 6, 2012
TRC Solutions Project No. 192355

Mr. Gary Moore
U.S. EPA Region 6
1445 Ross Avenue, Suite 1200
Dallas, TX 75202-2733

**Re: Weekly Progress Report
Falcon Refinery Superfund Site
Ingleside, San Patricio County, Texas
TXD 086 278 058**

Dear Mr. Moore:

On behalf of Lazarus Texas Refinery I, LLC, (Lazarus), TRC Solutions (TRC) submits this Weekly Progress Report on the Removal Action Activities at the Falcon Refinery Federal Superfund Site to the United States Environmental Protection Agency for your review.

If you have any questions, comments, or concerns, please do not hesitate to contact me at (361) 522-1935.

Sincerely,
TRC

Alonzo G. Arredondo
Senior Geologist

Attachment: Weekly Progress Report
cc: Lazarus Texas Refinery I, LLC

WEEKLY PROGRESS REPORT - Falcon Refinery Federal Superfund Site, Ingleside, TX;

1. TASKS NECESSARY TO COMPLETE THE REMOVAL ACTION

- Butane Tank – This tank contains less than one gallon of sludge. It will be cleaned, the sludge will be disposed of appropriately, and the tank will be inspected.
- Tank 12 – The three inches of oil that remain in this tank will be removed when the collapsed roof is removed.
- Tank 7 – The three feet of sludge that remain in this tank will be removed when the collapsed roof is removed.
- Tank 30 – The two feet of water and sludge that remain in this tank will be removed when the collapsed roof is removed.
- Tank 26 – This tank requires the removal of liquids and sludge and will be demolished after cleaning.
- Facility Pipes – The pipes that contain material will be carefully handled to allow for the removal of the contents within them.

2. THE SCHEDULE OF ACTIVITIES TO COMPLETION DATE (September 28, 2012)

- Tank 12 – Cut door, remove internal floating roof, oil and conduct API 653 tank inspection; April 9, 2012
- Tank 30 – Cut door, remove internal floating roof, water, and paraffin; April 11, 2012
- Tank 7 – Cut door, remove internal floating roof, and paraffin; April 11, 2012
- Butane Tank – Completely clean and inspect the vessel; April 23, 2012
- Tank 26 – Install treatment system, construct irrigation field, treat water, reclaim oil, centrifuge sludge and dispose of residual solids at U.S. Ecology; April 9, 2012
- Facility Pipes – The material in the facility piping will be removed as the vessels and connecting pipelines are demolished;

3. PROJECT ACTIVITIES COMPLETED THIS REPORTING PERIOD (APRIL 2 - 6, 2012)

Lazarus conducted the following activities this week:

- Completed construction of a firewall at the Tank 26 area;
- Mobilized frac tanks, hoses and roll-off boxes to the site;
- Welded structural reinforcements on Tank 12 in preparation of cutting a door;
- Welded structural reinforcements on Tank 30 in preparation of cutting a door;
- Staked irrigation fields to prepare for the construction of berms;
- Completed Construction of the pad for the treatment system in the former Tank 27 area.
- Collected and placed fiberglass insulation from the Tank 10 and 27 areas into roll-off boxes;
- Disposed of fiberglass insulation (as Class II Non-hazardous waste) at the BFI / Republic El Centro facility in Robstown, TX;
- Installed a water line at Tank 30 and transferred liquids into a frac tank;
- Currently evaluating the discharge limits for treated wastewater and will pursue agreement from U.S. EPA and TCEQ;

4. ACTIVITIES PLANNED FOR NEXT WEEK (APRIL 9 – 13, 2012)

- Acquire critical components for the wastewater treatment system;
- Continue evaluating water samples from Tank 26 and prepare a treatment program for the water, oil and sludge;
- Prepare and cut door in Tank 12 on April 9th, 2012;
- Prepare and cut door in Tank 30 on April 10th, 2012;
- Cut, remove roof and clean Tank 12 on April 11th, 2012;
- Begin construction of the berms for the irrigation fields on April 10th, 2012;

5. ACTIVITIES PLANNED FOR WEEK FOLLOWING (APRIL 16 – 20, 2012)

- Start removal of sludge in tank 12;

- Start removal of roof walkway from Tank 30 with a crane;
- Cut top of Tank 7 / Remove cone roof and floating roof with a crane;

6. ISSUES ENCOUNTERED

- Tank 26 water does not respond to a pH change; Tank 26 water is a tight oil/water emulsion.